

BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA
DOCKET NO. 2009-476-C

In Re:)	
Application of Optic Internet Protocol,)	
Inc. for a Certificate of Public)	STIPULATION AGREEMENT
Convenience and Necessity to Provide)	
Resold Intrastate Interexchange)	
Telecommunications Services and for)	
Alternative Regulation of its)	
Interexchange Service Offerings)	

This Stipulation Agreement (“Stipulation Agreement”) is made by and among the South Carolina Office of Regulatory Staff (“ORS”) and Optic Internet Protocol, Inc. (“Optic” or the “Corporation”) (collectively referred to as the “Parties” or sometimes individually as “Party”);

WHEREAS, on November 17, 2009, Optic filed its Application with the Public Service Commission of South Carolina (“Commission”) requesting (i) a Certificate of Public Convenience and Necessity be granted authorizing Optic to provide resold intrastate interexchange services throughout the State of South Carolina, pursuant to S.C. Code Ann. §58-9-280(B), as amended, 26 S.C. Reg. 103-823 and Section 253 of the Telecommunications Act of 1996; (ii) alternative regulation of its interexchange services, consistent with Order Nos. 95-1734 and 96-55 in Docket 95-661-C as modified by Order No. 2001-997 in Docket No, 200-407-C; (iii) for waiver of certain Commission Regulations, specifically Regulation 103-610 regarding location of records; (iv) a waiver of any requirement to maintain financial records in conformance with the Uniform System of Accounts (“USOA”); and (v) for waivers of any reporting requirements not applicable to competitive providers such as Applicant because such

technical and managerial abilities to adequately provide the services applied for; (c) based upon the information provided and the analysis performed, Optic appears to have access to sufficient financial resources necessary to provide the services proposed in its application; (d) Optic's proposed tariff with the amendments as agreed to in this Stipulation Agreement comply with Commission statutes and regulations; (e) the provision of services by Optic will not adversely impact the availability of affordable telecommunications services; and (f) to the extent it is required to do so by the Commission, Optic will participate in the support of universally available telephone service at affordable rates; and (g) interexchange services by Optic will not adversely impact the public interest;

WHEREAS, to ensure compliance with the Commission's statutes and regulations, the Parties have agreed to the following comprehensive settlement of all issues in this docket;

WHEREFORE, in the spirit of compromise, the Parties hereby stipulate and agree to the following terms and conditions:

1) The Parties agree to submit into the record before the Commission this Stipulation Agreement. The Parties also agree to stipulate to the filed testimony of Optic's witness Gregory Allpow without cross-examination by ORS.

2) The Corporation has requested a waiver of 26 S.C. Code Ann. Regs. 103-610 concerning the location of books and records. However, S.C. Code Ann. §58-9-380 (Supp. 2008) provides that:

Each telephone utility shall have an office in one of the counties of this State in which its property or some part thereof is located and shall keep in such office all such books, accounts, papers and records as shall reasonably be required by the Office of Regulatory Staff. No books, accounts, papers or records required by the ORS to be kept within the State shall be removed at any time from the State except upon such conditions as may be prescribed by the Office of Regulatory Staff.

service fund, Interim LEC Fund, and gross receipts as may be required by the ORS of telecommunications companies certificated to operate within South Carolina and as the reporting forms may be amended from time to time. The Corporation agrees that its books, papers and records shall be maintained in a manner such that Corporation revenues and expenditures related to its operations in South Carolina can be segregated from revenues and expenditures related to operations in other jurisdictions and that South Carolina jurisdictional revenues and expenditures may be reconciled to total Corporation revenues and expenditures from operations in all jurisdictions;

5) The Company acknowledges that all of its underlying carriers must hold a certificate from the Commission

6) Given the Company's request to provide statewide service and although not specifically requested in the Company's Application, ORS does not oppose a waiver of 26 S.C. Code Ann. Regs. 103-612.2.3 which requires the filing of operating maps. However, should the Company establish local exchange service areas which differ from those of the incumbent local exchange carriers, the Company agrees it will notify the Commission and ORS of the change and file updated service maps.

7) ORS does not oppose Optic's requests for alternative regulation of its interexchange service offerings consistent with the procedures described and set forth in Order No. 98-165 in Docket No. 97-467-C and Orders 95-1734 and 96-55 in Docket No. 95-661-C as modified by Order No. 2001-997 in Docket No. 2000-407-C. Alternative regulation of interexchange services provides for the (i) regulation of these services in the same manner as these services are regulated of AT&T Communications of the Southern States, Inc., (ii) removal of the maximum rate tariff requirements for Optic's business services, private line, and customer network-type

offerings, except in instances governed by Order No. 2001-997 which reinstituted maximum rates for surcharges and rates associated with certain intrastate operator-assisted calls; (iii) presumptively valid tariff filings for these interexchange services unless an investigation of a particular filing is instituted within seven (7) days, in which case the tariff filing will be suspended until resolution of the investigation or until further order of the Commission; and (iv) the same regulatory treatment as AT&T Communications of the Southern States, Inc. in connection with any future relaxation of reporting requirements;

8) Optic agrees that it will allow an end-user of resold services to access an alternative interexchange carrier or operator service provider if the end-user expresses such a desire;

9) Optic agrees to file necessary financial information as directed by the Commission or ORS for universal service fund reporting, dual party relay service fund reporting, interim LEC fund reporting, annual reporting, gross receipts reporting, and/or any other reporting which may now or in the future be applicable to telecommunications providers such as Optic. The Parties agree that such reports shall be filed pursuant to ORS' instructions and monies shall be remitted in accordance with the directions of the ORS and/or the Commission.

10) Optic agrees to maintain its books and records in a manner that would permit ORS to examine any of Optic's reports filed with the Commission and provided to ORS.

11) Optic agrees to file with the Commission and ORS a completed authorized utility representative forms within thirty (30) days of the Commission's order.

12) In the event that Optic offers prepaid calling card services in the future, Optic agrees that it shall obtain Commission approval and post a surety bond in the amount of \$5,000 as required by the Commission;

13) Optic agrees to comply with the verification regulations governing change of preferred carriers as established by the Federal Communications Commission ("FCC"). Optic agrees to comply with the marketing practices and guidelines established by the Commission in Order No. 95-658;

14) Optic agrees to comply with South Carolina Code Section § 58-9-300 entitled "Abandonment of Service." Additionally, to the extent applicable, Optic agrees to adhere to the FCC's rule 47 C.F.R. § 64.1190 and 64.1130 regarding preferred carrier freezes and the requirement that the form of the written authorization for the institution of the freeze be a separate or easily separable document. Prior to abandonment of service, Optic shall remove any preferred carrier freeze so as to enable consumers to seamlessly transfer their telephone numbers to another provider;

15) Optic agrees to comply with all rules and regulations of the Commission unless the Commission has expressly waived such rule or regulation;

16) Optic agrees to file a final revised tariff with both the ORS and the Commission within 30 days of the Commission's order granting Optic's application and the revised tariff shall reflect and be in accordance with ORS' tariff revisions as shown in Attachment 1 to this Stipulation Agreement.

17) "Corporation" shall file its revised tariff utilizing the Commission's e-filing system for tariffs. The revised tariff should be electronically filed in a text searchable PDF format using the Commission's DMS System (<http://dms.psc.sc.gov>). An additional copy should be sent via email to etariff@psc.sc.gov to be included in the Commission's ETariff System (<http://etariff.psc.sc.gov>). Future revisions to the tariff should be made using the ETariff System. The revised tariff shall be

consistent with the findings of this agreement and shall be consistent with the Commission's Rules and Regulations.

18) ORS is charged by law with the duty to represent the public interest of South Carolina pursuant to S.C. Code § 58-4-10 (B). S.C. Code § 58-4-10(B)(1) through (3) read in part as follows:

... 'public interest' means a balancing of the following:

- (1) concerns of the using and consuming public with respect to public utility services, regardless of the class of customer;
- (2) economic development and job attraction and retention in South Carolina; and
- (3) preservation of the financial integrity of the State's public utilities and continued investment in and maintenance of utility facilities so as to provide reliable and high quality utility services.

ORS believes the Stipulation Agreement reached among the Parties serves the public interest as defined above;

19) The Parties agree to advocate that the Commission accept and approve this Stipulation Agreement in its entirety as a fair, reasonable and full resolution of all issues in the above-captioned proceeding and that the Commission take no action inconsistent with its adoption. The Parties further agree to cooperate in good faith with one another in recommending to the Commission that this Stipulation Agreement be accepted and approved by the Commission. The Parties agree to use reasonable efforts to defend and support any Commission order issued approving this Stipulation Agreement and the terms and conditions contained herein.

20) The Parties agree that signing this Stipulation Agreement will not constrain, inhibit, impair or prejudice their arguments or positions held in other collateral proceedings, nor will it constitute a precedent or evidence of acceptable practice in future proceedings. If the

Commission declines to approve the Stipulation Agreement in its entirety, then any Party desiring to do so may withdraw from the Stipulation Agreement in its entirety without penalty or obligation.

21) This Stipulation Agreement shall be interpreted according to South Carolina law.

22) The Parties represent that the terms of this Stipulation Agreement are based upon full and accurate information known as of the date this Stipulation Agreement is executed. If, after execution, either Party is made aware of information that conflicts, nullifies, or is otherwise materially different than that information upon which this Stipulation Agreement is based, either Party may withdraw from the Stipulation Agreement with written notice to the other Party.

23) The above terms and conditions fully represent the agreement of the Parties hereto. Therefore, each Party acknowledges its consent and agreement to this Stipulation Agreement by affixing its signature or by authorizing counsel to affix his or her signature to this document where indicated below. Counsel's signature represents his or her representation that his or her client has authorized the execution of the agreement. Facsimile signatures and email signatures shall be as effective as original signatures to bind any party. This document may be signed in counterparts, with the original signature pages combined with the body of the document constituting an original and provable copy of this Stipulation Agreement. The Parties agree that in the event any Party should fail to indicate its consent to this Stipulation Agreement and the terms contained herein, then this Stipulation Agreement shall be null and void and will not be binding on any Party.

[SIGNATURES ON FOLLOWING PAGES]

WE AGREE:

Representing the Office of Regulatory Staff

Shannon Bowyer Hudson

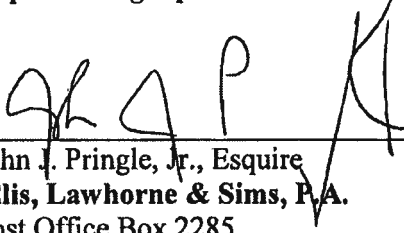
Shannon Bowyer Hudson
Office of Regulatory Staff
1401 Main Street, Suite 900
Columbia, SC 29201
Telephone: (803) 737-0889
Fax: (803) 737-0895
Email: shudson@regstaff.sc.gov

3-5-10

Date

WE AGREE:

Representing Optic Internet Protocol, Inc.



John J. Pringle, Jr., Esquire
Ellis, Lawhorne & Sims, P.A.
Post Office Box 2285
Columbia, SC 29202
Phone: 803-343-1270
Fax: 803-779-4749
jpringle@ellislawhorne.com

3/05/10

Date

Attachment 1

Revisions to Tariff filed with Application

Original Title Sheet— The Company will include a regulatory contact phone number/e-mail address on the title page.

Original Sheet No. 15 2.10.8— The Company will modify the ORS address as follows:

South Carolina Office of Regulatory Staff
Consumer Services Division
1401 Main Street, Suite 900
Columbia, SC 29201
803-737-5230
1-800-922-1531 (toll free)

Original Sheet No. 19 4.0.1— The Company will include maximum as well as current rates for all charges that may apply to residential customers.

Original Sheet No. 19 4.0.2— The Company will include maximum as well as current rates for all charges that may apply to residential customers.

Original Sheet No. 19 4.0.3— The Company will include maximum as well as current rates for all charges that may apply to residential customers.

Additional Revisions

- 1) If the Company charges any installation, connection, or maintenance charges, termination charges, etc. (in addition to the services listed in the tariff), these additional charges and the descriptions of the charges will be listed in the tariff with their current and maximum rates.
- 2) The Company will provide tariffs and tariff revisions to the Public Service Commission of South Carolina and the South Carolina Office of Regulatory Staff (Commission Reg. 103-629).
- 3) If the Company's Services involve Prepaid Calling Cards, the Company will be required to post a \$5, 000 Surety Bond with the Public Service Commission.
- 4) The Company will include maximum rates and current rates for any service that may impact residential customers. Any service that impacts Business Long Distance, Consumer Cards, and Operator Services (Including Directory Assistance) are exempt from maximum rates.

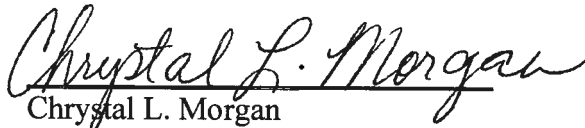
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DOCKET NO. 2009-476-C

IN RE: Application of Optic Internet Protocol,
 Incorporated for a Certificate of Public)
 Convenience and Necessity to Provide Resold) **CERTIFICATE OF**
 Intrastate Interexchange Telecommunications) **SERVICE**
 Services and for Alternative Regulation of its)
 Interexchange Offerings)

This is to certify that I, Chrystal L. Morgan, have this date served one (1) copy of the **STIPULATION** in the above-referenced matter to the person(s) named below by causing said copy to be deposited in the United States Postal Service, first class postage prepaid and affixed thereto, and addressed as shown below:

John. J. Pringle, Jr , Esquire
Ellis, Lawhorne & Sims, P.A.
Post Office Box 2285
Columbia, SC, 29202

Thomas K. Crowe , Esquire
Law Offices of Thomas K. Crowe, P.C.
1250 24th Street, Suite 300
Washington, DC, 20037


Chrystal L. Morgan

March 5, 2010
Columbia, South Carolina